reform.* On the other hand the student will regret the brevity of the exposition of more modern notions of punishment and crime which is held within such narrow limits as to contain perforce only the general characteristics with which he is already familiar. Though of slight value to himself, the student cannot fail to recognize the admirable popular qualities of the book, and to recommend it to those seeking an introduction to the study of crime and its treatment.

ROLAND P. FALKNER.

POPULAR DISCUSSIONS OF THE MONEY QUESTION.

Several score of pamphlets, leaflets, catechisms and addresses upon the various phases of bimetallism have appeared within the last few months, but the gist of all that they contain is to be found in one or another of a list of four or five books. They possess no scientific value for the student of money, for they contain no new facts or groupings of statistics, and no new theories that have any value except as curiosities of abnormal logic.

Mr. Harvey's book, "Coin's Financial School,"† is probably responsible for three-fourths of the cheap literature issued this year upon the money question. It is a quasi-humorous, yet apparently earnest and sincere argument for the free coinage of silver in the United States, the mono-metallic logic coming from the lips of a boy teacher in an imaginary school at Chicago. The book has been widely read and has received the earnest and often acrimonious consideration of numerous critics. The author has been censured for having represented certain well-known financiers as present at his "school" in utter helplessness before the logic of the boy lecturer, yet a reader of any discernment whatever can hardly fail to perceive the fictitious character of the "school."

In the book we find all the old arguments in behalf of silver ingeniously bolstered by statistics, charts and illustrations. Mr. Harvey tries to prove that the original unit in our currency was the silver dollar, that bimetallism was successfully maintained down to 1873, when silver was surreptitiously and feloniously demonetized, that gold is appreciating in value and that the consequent falling prices are responsible for manifold commercial and industrial evils, that the value or purchasing power of silver has changed but little in the last twenty

* Page 139.

† *Coin's Financial School.* By W. H. HARVEY. Pp. 155. Price, 25c. Chicago: Coin Publishing Company, 1894.

years, and that the opening of the United States mints to the free coinage of silver would raise it to parity with gold at the ratio of 16 to 1.

Evidently the most important of these contentions is the last. An opponent of silver might admit, for the sake of avoiding unnecessary argument, the truth of all of Coin's other conclusions, and yet prove that the free coinage of silver would have disastrous results; or conversely, if it cannot be made reasonably certain that the free coinage of silver will result in a commercial ratio of 16 to 1 between silver and gold, argument on other points can avail but little except with people who are willing to make a change in the standard of value at any cost whatever. If it should be admitted that the free coinage of silver means a transition in this country from a gold level to a silver level of prices, it would probably have few advocates in any community. The friends of silver know this well enough, and as a rule they claim that 371.25 grains of silver will be equal in value to 23.22 grains of gold when the free coinage of silver is legalized. Yet they avoid this direct and important issue as much as possible, seeming to find it more effective to describe the evils of the present situation and to let it be taken for granted that the change that they propose will be for the better. So Mr. Harvey in his "Coin's Financial School," just as in his public debates in Chicago with Professor Laughlin and Mr. Horr, is most strenuous in his efforts to demonstrate that our original monetary unit was of silver, that its demonetization was a crime, and that gold prices are falling because there is not gold enough in the world to do the business of the world.

Of the one hundred and fifty-five pages of this book, only twenty are ostensibly devoted to the consideration of independent free coinage, and here we find not argument, but denunciation of Great Britain. It is the poorest chapter in the book. The boy teacher, having exhausted his statistics in exhibition of the desolation caused by the gold standard, takes for granted that his pupils perceive, as he does, that there is no other possible remedy except the free and independent coinage of silver by the United States.

Most of Mr. Harvey's opponents have followed his order in debate and have thus wasted considerable time over unimportant issues. The silver unit contention and "the crime of 1873" are discussed in great detail, as if the issues of the present depended on their immediate settlement. The silver question, as a question of the day, involves the discussion of two points: First, is the gold standard maintained at great cost to trade and industry because of an inade-

quate supply of gold? and, second, will any improvement result from the free coinage of silver? We must have positive and convincing information upon these two points before the silver question can be satisfactorily disposed of and all discussion of other points is in the main unessential. The author of "Coin" does his best to prove that the gold standard causes infinite mischief. He faces that issue squarely, but he dodges the other. Having proved to his satisfaction that evil results from the scarcity of money, he assumes that the merits of a policy which increases the money supply need no demonstration. He begs, therefore, the real question at issue. It is comparatively easy for him, by massing the gloomiest statistics he can find, to convince the average man that something is radically wrong with business and with prices, and to shoulder the responsibility upon an appreciating gold standard, but he does not prove, and really does not try to prove that the free coinage of silver will help matters, although that is the particular thesis which the book sets out to establish.

The replies to "Coin's Financial School" may be grouped in two classes—those which attack especially its theories, and those which deny its "facts." Professor Laughlin's book, "Facts About Money,"* is beyond question the best all-round reply that has been published. It appears to consist of editorials which he contributed last spring to a Chicago newspaper, and is dressed with such a picturesque cover that one is led to suspect that it was issued without authority while the professor was absent on his summer vacation. The book is of real value to the student. It discusses the "unit question," the alternating standard in the United States from 1792 to 1873, France, under the free coinage of silver, the Act of 1873, the nature and function of money, the relation of money and prices, the panic of 1893, the production of gold and silver, the shrinkage of prices, etc. In a way the book may be regarded as a supplement to the same author's excellent "History of Bimetallism," although the latter treatise contains many of the facts and practically all of the arguments here freshly presented.

Professor Laughlin, of course, takes his stand on strictly classical ground, and attacks the very foundations of "Coin's" philosophy, to-wit: The quantitative theory of money. He contends that the value of money is very little dependent upon its volume, because of the important work done in modern business by the

**Facts About Money.* By J. LAURENCE LAUGHLIN, Professor of Political Economy in the University of Chicago. Pp. 275. Price, 50c. Chicago: E. A. Weeks & Co., 1895.

element of credit. Students of the subject are familiar with this argument and it is not necessary to discuss it here. Professor Laughlin makes a good statement of it, yet he does not always treat his adversary with perfect fairness. Thus, in combating "Coin's" position that prices are affected by the quantity of money in circulation, Professor Laughlin says: "In 1873, when no gold or silver was in circulation, prices were at 122; and in 1891 when the circulation had gained $1,003,000,000 of gold and silver, prices were at 92.2. Nothing could show more clearly the utter incompetence of 'Coin's' book, nor more clearly show that the quantity of silver has had nothing to do with the movement of prices since 1873."

"Coin's" incompetence is hardly to be exhibited in this easy fashion. The value of gold, or the level of gold prices, cannot under any theory be determined by the quantity of gold in any single country. Professor Laughlin's effort to appropriate the enemy's ammunition of falling prices is more ingenious than ingenuous. "Coin's" contention is that the value of gold depends upon the relation of the total supply in the world to the total demand, and he further insists that the money use of gold is a most important element in the demand for the metal. "Coin" speaks of the money demand for gold as an "unlimited demand," and in so doing is, of course, in manifest error. Professor Laughlin apparently does not believe that the use of gold as money has any effect upon the value of the metal. "To coin money," he says, "does not create a demand for it." That is true enough, but the fact that people have a use for some $4,000,000,000 of gold coin, whether because of law or of custom, does seem to constitute a rather strong demand for the metal.

Professor Laughlin does not discuss this point satisfactorily, yet it is fundamental in the arguments of the friends of silver. I do not recall any passage in which he declares boldly that in his opinion a free coinage act would not raise the commercial value of silver, yet that he holds such an opinion must be inferred from such sentences as the following: "The legal tender power of Mexican law does not give a Mexican silver dollar any additional value beyond its intrinsic worth in the markets of the world." But is not the present intrinsic worth of silver in the markets of the world partly due to the legal tender power of Mexican law? That is a point upon which "Coin" and other advocates of silver lay great stress, and it seems to me that the two recent champions of mono-metallism, Professor Laughlin in this country and Mr. MacLeod in England, fail to recognize its importance.

The book by Messrs. Fraser and Sergel, called "Sound Money,"* has for a sub-title "Complete Exposure of the Forged and Falsified Statistics in 'Coin's Financial School.'" It represents a type of argument which hardly does credit to the "sound money" cause. An effort is made throughout the book to convince the reader that Mr. Harvey has deliberately changed to his advantage the figures which he quotes from statistical manuals. The authors may be sincere in their charges, yet there is no evidence that Mr. Harvey has intentionally doctored statistics. His references are to the statistical abstract for 1893, and to other statistical manuals of that and the preceding year; while his critics always compare his figures with those given in the publications of 1894. I have compared some of his condemned tables with the authorities of 1893 and 1892, and have found them to be correct. For instance, his table showing the world's production of gold and silver, where he is said to have lessened the gold product and increased the silver product for every year—with four exceptions—since 1841, coincides almost exactly with the table published in the report of the Director of the Mint for 1893, although it does not agree with the figures given in the report for 1894. Mr. Harvey is certainly not to be blamed because of discrepancies that did not exist when he wrote his book.

The "Sound Currency"† publications of the Reform Club of New York, differ radically in form from the literature published in Chicago and other parts of the West. They discuss the various phases of the money question in a straightforward, serious way, entirely without the aid of pictures or imaginary conversations. Each writer aims evidently at the utmost clearness and simplicity of exposition. The result is a score of small pamphlets in which a large amount of valuable information is condensed. The popular interest in the whole matter is now apparently on the decline, and the friends of independent free coinage in this country are believed to be lessening in number. However that may be, the agitation has been an educational one for the people, and the publication and wide circulation of "Coin's Financial School," which is credited with being the immediate cause of the agitation, need not now be viewed with regret by anyone.

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* *Sound Money.* By JOHN A. FRASER, Jr., and CHARLES H. SERGEL. Pp. 114. Price, 25c. Chicago: Charles H. Sergel Company, 1895.

† *Sound Currency.* Published semi-monthly by the Sound Currency Committee of the Reform Club. Single copies, 5c. New York: 52 William Street.